

FISCAL IMPACT STATEMENT ON BILL NO. **H. 3304**

(Doc. No.)

TO:	The Honorable Robert Harrell, Chairman, House Ways and Means Committee	
FROM:	Office of State Budget, Budget and Control Board	
ANALYSTS:	Tricia Tangney	
DATE:	January 19, 2005	SBD: 2005109

AUTHOR:	Representative Witherspoon	PRIMARY CODE CITE:
SUBJECT:	Tobacco Escrow Fund Enforcement	

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost to Federal or Other Funds (See Below)

BILL SUMMARY:

This Bill amends Title 11 of the Code of Laws of South Carolina, 1976, by adding Chapter 48, which provides for both Civil and Criminal Penalties for violations of the Tobacco Escrow Fund Act. This Bill would also require that a tobacco product manufacturer either participate in the master settlement agreement or deposit money into a qualified escrow account.

EXPLANATION OF IMPACT:Attorney General

The Attorney General's Office indicates there will be a second year fiscal impact on other funds of approximately \$161,680 (see Note below). This total is comprised of \$103,680 in personal service/fringe benefits for 2.00 FTE's (1.00 Attorney Position and 1.00 Paralegal Position), along with \$10,000 for operating expenses annually. The balance of \$48,000 is a one-time expense for a database that tracks tobacco companies for compliance with the settlement. The annual recurring cost is estimated at \$113,680.

Department of Revenue

The Department indicates there will be no fiscal impact on the General Fund of the State, nor on Federal and/or Other Funds.

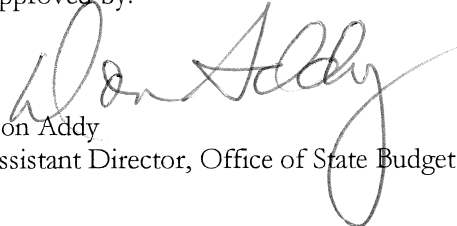
LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

Proviso 73.12 of the Fiscal Year 2004-2005 Appropriation Act transfers \$110,000 from the Operating Contingency Account of the Tobacco Settlement Management Authority to the Attorney General for operation of this program.

Approved by:



Don Addy
Assistant Director, Office of State Budget